

Capital Projects Advisory Review Board

Expansion Subcommittee Meeting Draft Meeting Minutes

World Class Conference Room, Kilroy Building, Sea Tac
June 2, 2006, 9:00 – 11:00 a.m.

Initial if

Present

Name

Organization

Phone

e-mail

Subcommittee Members

OY	Olivia Yang (Lead)	UW, Capital Projects	206-221-4224	oyang@u.washington.edu
BR	Butch Reifert	Design Industry	206-441-4151	breifert@mahlum.com
EK	Ed Kommers	Mechanical Contractors	206-612-7304	ekommers@comcast.net
DJ	Dave Johnson	Wa. State Bldg. & Construction Trades Council	360-357-6778	DJIW86@aol.com
JL	John Lynch	General Administration	360-902-7227	jlynch@ga.wa.gov
RE	Rodney Eng	City of Seattle	206-684-8241	rodney.eng.@seattle.gov
Absent	Michael Mequet	Port of Seattle	206-835-7637	mequet.m@portseattle.org
NH	Nora Huey	King County	206-684-2049	norahuey@metrokc.gov
TP	Tom Peterson	Hoffman Construction	206-286-8697	tom-peterson@hoffmancorp.com
TB	Tom Balbo	Ferguson Construction	206-767-3810	tomb@fergusonconstruction.com
Absent	Ashley Probart	Assoc. of Wash. Cities	360-753-4137	ashleyp@awcnet.org
LB	Larry Byers	Contracts Bonding & Insurance Company	206-628-7221	larryb@cbic.com
DG	Dick Goldsmith	Assn of WA Hospital Districts	206-216-2528	richardg@awphd.org
DL	Dick Lutz	Centennial Cont.	360-867-9443	dicklutz@comcast.net
RB	Rodger Benson	Mortenson	425-895-9000	Rodger.benson@mortenson.com
LS	Larry Stevens	MCA/NECA	253-212-1536	lwstevens@wwdb.org

Other Attendees

ND	Nancy Deakins	General Administration	360-902-8161	deakink@dshs.wa.gov
GE	Ginger Eagle	Wa Public Ports Assoc	360-943-0760	geagle@washingtonports.org
MT	Michael Transue	AGC	253-223-2508	cmjtransue@comcast.net
RP	Robynne Parkinson	Groff Murphy/Design Build Institute of America	206-628-9500	rparkinson@groffmurphy.com
SB	Stan Bowman	AIA/WA	360-943-6012	bowman@aiawa.org

KL	Kathryn Leathers	House of Reps	360-786-7114	Leathers.kathryn@leg.wa.gov
MR	Marsha Reilly	House of Reps	360-786-7135	Reilly.marsha@leg.wa.gov
DS	Diane Smith	Senate Gov Ops	360-786-7410	Smith.diane@leg.wa.gov

Opening Remarks by Olivia Yang

- Start thinking about drafting legislation
- Identify points where we have consensus and begin to pull something together
- Last month we had a good discussion on \$10 million
- Stan Bowman will email his centralized board information to Olivia, because there are pertinent points listed there
- We will use the new criteria in the law (will it be in addition to or only owner's ability to manage the projects)?

Motion 1: Two projects, \$10 million GC/CM, Substantial Completion (defines if experienced or not). This includes the graduation clause

- Yes – 8
- Opposed – 4
- Abstained – 2

Robynne said that the \$10 million definition should have a consistent definition.

Rodney stated that the Reauthorization subcommittee agreed that \$10 million is the construction cost. The Board is not a guarantee of successful projects. He then made a

Motion 2: Two projects, Substantial Completion, GC/CM under \$10 million (if you have done two projects, you graduate). So the graduation will apply to projects under \$10 million also.

Michael said that GC/CM is now worthwhile for procurement of projects under \$10 million.

Rodger stated that we are not mandating that people use GC/CM.

Olivia said \$10 million is arbitrary and we need to address the anxiety. Everyone will not get to use this.

David stated we should not have the \$10 million threshold because you are opening the door.

Voting on **Motion 2:**

- Yes – 5
- Opposed – 6
- Abstain – 3

Rodney said projects under \$10 million must get approval by the Board. All owners (new or old) will have to go to the Board for approval for projects under \$10 million.

Ed stated that he doesn't like the graduation clause; however, it is an excellent question to bring up. Entities will be doing two projects just so they can graduate. Without the

graduation clause, he is less inclined to vote no. To move things forward, this is as good as we can get, let's move forward.

John Lynch suggested that we have a list of owners who already have two or more projects completed. If the new owners then graduate, we will run out of new owners.

Passed	Did Not Pass
<ul style="list-style-type: none">Under \$10 million need approval (experienced or new owner)	<ul style="list-style-type: none">Under \$10 million GC/CMGraduateIf done two projects to substantial completion

Motion 3: John Lynch said when the legislation actually passes (owners already authorized in statute). We could have a fixed list of owners (no one can get in this category) – grandfathered in. It could say have two projects and substantial completion done by June 30, 2007. No one can become experienced. List would include entities such as: General Administration, University of Washington, City of Seattle, Port of Seattle, Snohomish, etc... Rodney stated that part of the motion that experience did not include the schools and hospitals, they are excluded from this.

- Yes – 10
- Opposed – 0
- Abstained – 3

Rodney stated that the Reauthorization Subcommittee, Task Force #1 (Owners) led by Stan Bowman will be working on the centralized board issue at their meeting on June 22nd, 10 a.m. in Olympia.

Discussion regarding Job Order Contracting and Design Build

Olivia stated that the issue is should we increase the individual work order limit of \$150,000? Should Job Order Contracting (JOC) be excluded from going to the Board? Increasing the limit for a \$2 million contract value – no more than \$8 million in three years. Talking about increasing the limit from \$150,000 to \$500,000 per work order.

Dick Lutz said it was suggested that large municipalities be eliminated and put in large public bodies. Small entities would be able to benefit from JOC. If JOC is a benefit to small entities, we should go ahead and do it.

Another subcommittee member said there is resistance from smaller contractors – no bid process. We run the risk of excluding contractors.

Dick Lutz stated that he would like to discuss JOC, it is a multi-faceted activity. Not just one contractor. For example: If we use one electrical contractor repeatedly; we cannot rely on only one. It is a large geographical area to cover. Have to spread the wealth. Small contractors benefit significantly from JOC. There is a lot of variety. A JOC contractor can bring in small subcontractors (especially for small communities and school districts). Use best value (we reserve the right) and not necessarily low bid. Volume is important to a job order contractor.

Robynne shared suggested changes to the selection process:

This information was developed when there was no sunset. How is Design Build (DB) working? Is it working the way it should be working? Current process issues with RFQs/RFPs:

- Design competition – suggested public entity provide evaluative features, and then go to RFP after short listed. Some things are expensive to respond to. We are requesting an RFQ/RFP process.
- Could the process benefit from design competition?
- An honorarium should be sufficient to encourage competition. Look at amount of work to be done in the bidding process.
- The criteria for GC/CM and DB should be the same (mirror)

Dick said that he has suggested changes, issues and adjustments sent to him prior to the subcommittee meeting. Email your issues and discussion to him prior to the meeting date.

Concluding Comment by Rodney

- We are running out of time. CPARB needs to review or approve by August 2006 and out of subcommittees by June or July 2006.

Olivia said that we are closing in on our GC/CM work

Stan said that DB is a much greater risk for the owner than GC/CM. He said that DB has a number of issues they can be made open for abuse. Should have a highly qualified owner and owner oversight. This is a high hurdle to expand. Owners may or may not be authorized to use DB.

Meeting Adjournment

The meeting was adjourned at 11:20 a.m.